GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:2602
ANSWERED ON:15.12.2015
FRP of Sugarcane
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government proposes to increase the Fair and Remunerative Price (FRP) for sugarcane;
(b) if so, the details and the extent thereof indicating the revised FRP fixed/paid during the last three years and the current year;
(c) whether the surplus production and low sugar price has affected payment of dues to farmers; and
(d) if so, the steps being taken by the Government to rectify this situation?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)
(a)& (b) The Fair & Remunerative Price (FRP) of sugarcane for the current sugar season 2015-16 has been fixed at Rs. 230 per quintal at basic recovery rate of 9.5% which is higher by Rs 10 per quintal as compared to FRP of sugarcane for the last sugar season 2014-15. The details of FRP of sugarcane fixed by the Central Government for the last three sugar seasons and the current sugar season are given in the table below:

S. No.	Sugar Season	FRP (Rs. per Quintal)	Basic recovery	Premium over basic recovery rate (in Rs. per quintal) for increase of every 0.1%)
1	2012-13	170	9.5%	1.79
2	2013-14	210	9.5%	2.21
3	2014-15	220	9.5%	2.32
4	2015-16	230	9.5%	2.42

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(c)& (d): Surplus sugar production over domestic demand across last five sugar seasons coinciding with global surplus has resulted in substantial inventories with sugar mills. Consequently, sugar prices have been subdued resulting in low revenue realisation leading to cane dues arrears. The Central Government with a view to facilitate clearance of cane price arrears of sugarcane farmers has taken several steps to help the sugar industry resolve liquidity problems and expeditiously clear cane price dues. The measures taken by the Government are as under:-
i) Extended working capital loans with interest subvention to sugar mills to facilitate clearance of cane price dues of farmers under Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) and Soft Loan scheme.
ii) Incentive for exporting raw sugar in sugar seasons 2013-14 and 2014-15.
iii) Fixed remunerative prices for supplies of ethanol to OMCs for blending with petrol; waiver of excise duty on ethanol supplies to OMCs during 2015-16 and scaling up of blending targets from 5% to 10%.
iv) Enhanced import duty to 40% to discourage imports.
v) The "Duty Free Import Authorization" scheme (DFIA), for sugar withdrawn.
vi) The period for discharging Export Obligations under the Advanced Authorization Scheme for sugar reduced to 6 months to prevent leakage into the domestic economy.
vii) Notified a scheme on 2.12.2015 to extend production subsidy @ Rs. 4.50 per quintal to sugar mills to offset the cost of cane and

facilitate timely payment of cane price dues of farmers.
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